

Board of Supervisors Work Session Issue
Funding Options for Six Fire Fighters/Paramedics
Annual Cost \$320,000

FY 2005 Funding Needed \$160,000 for ½ year

Option/Recommended Source: Contingency Reserve (Recommend by Finance Committee for BOS consideration 10/14/04)

FY 2006 Funding Needed \$320,000

Option 1 Growth in real estate tax revenue with a possibly realignment of the Fire & Rescue Levy allocation between the Volunteers and Fire & Rescue Services. Use of the Levy's Fund Balance and County Contingency Reserve as necessary.

Option 2 Fee for Services. Revenue generated from ambulance transportation. (see attached)

Recommend Option 1 as it will provide support for the additional positions and normal operational growth without imposing a new fee.

FY 2007 Funding Needed, \$320,000 plus merit pay & benefit increases.

FY 2007 revenue will reflect the impact of the reassessment and it is projected the Levy will have adequate funding to support the additional staff and normal operational growth in costs.

Fee for Service Fact Sheet (Ambulance Transport Billing)

Goal:

Identify alternative funding sources to include but not limited to the Fire Marshal's Office per the Fire Rescue Service Plan.

Purpose:

Any funding available outside of the real estate tax/tax levy will provide for additional service delivery while allowing tax revenues to fund other priorities such as Fire Rescue CIP.

Description overview:

Fee for Service is based on the operating principles of most other healthcare services where the ambulance transport and inclusive pre-hospital emergency medical care costs are submitted to healthcare insurances for reimbursement. As most insurances require some level of "copay", in 2001, the State Office of the Inspector General opined that taxpaying citizens of municipalities are EXEMPT from having to pay the out of pocket "copays" on the basis that their regular taxes pay for part of the Fire Rescue services. In 2002 this was expanded to include people who work in the county, such as business owners but live elsewhere. Residents of Fauquier County would benefit from having extended hours of career paramedical coverage, such as 24 hour 7 days per week, without raising taxes for this functions, and not incur ANY out of pocket expenses. No residents of Fauquier County would be expected to fund the copay.

Facts and figures of the program:

1. No one is denied service due to lack of insurance. Those that do not have insurance are not pursued for payment.
2. Only 5% of the citizens are affected (not more than 5% call for service). If a tax increase is levied, 100% of the residents are affected.
3. County and Schools employees do not make up a majority of the transports and therefore, minimizing the impact on the local government insurance costs. Much of the billing goes to Medicare/Medicaid as elderly care homes are a significant service demand. (3.4 transports per day during career hours in Warrenton alone). Many of the people transported are from out of the area traveling through the county.
4. Compared to the total payout for insurance costs to doctors, hospitals etc., the ambulance transport fees equate to not more than **0.25% , one fourth of one percent**. The average payment received for an Advanced Life Support level transport is \$350.00.
5. In 2003, there were over 6000 EMS dispatches, which include going to fires. Just During career hours (12 hours x 5 days), 2800 transports were completed. Approximately 94% of those had health insurance.
6. The program is based on an independent company specializing in managing the billing and receiving of these reimbursements. They charge 10-12%. Another option is for Fauquier Hospital to do manage the billing. Based solely on career hours, 2800 transports x \$350 (average of Basic and Advanced Life Support Care) equals \$980,000. Conservative estimate of payments received is 80% or \$784,000 less 12% (\$94,080) leaves \$689,920 (more than one cent on the tax rate. This could provide two 24 hour staffed medic units. As the number of transports increase so does the revenue. The additional transports would generate enough revenue to staff a third unit.
7. Roanoke County had 6000 EMS transports in calendar year 2003 and netted \$1,500,000.